Reimbursement of CENVAT on hank yarn

4320. SHRI RAJKUMAR DHOOT: Will the Minister of TEXTILES be pleased to state:

(a) whether it is a fact that Government has approved a scheme with outlay of Rs. 418 crore towards reimbursement of CENVAT on hank yarn;

(b) if so, the details thereof; and

(c) how many workers in the handloom sector will benefit from it and the extent it will mitigate cost disadvantage of yarn?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI BASANGOUDA R. PATIL): (a) Government of India has approved a scheme titled "Scheme for Reimbursement of CENVAT on Hank Yarn" with an outlay not exceeding Rs. 118.00 crore for the period March, 2002 to March, 2003 and an outlay not exceeding Rs. 300.00 crore for the year 2003-04 and for each subsequent year, as long as the levy of CENVAT on cotton and cellulosic spun yarn packed in plain reel hank form continues.

(b) The scheme aims to reimburse the additional cost involved on account of imposition of Excise Duty and Additional Excise Duty levied under the Additional Duties of Excise (Textiles and Textile Articles) Act, 1978, on cotton and cellulosic spun yarn packed in plain reel hank form, to the organizations supplying such yarn at the price net of CENVAT to handloom weavers.

(c) All handloom weavers, who are using cotton and cellulosic spun yarn packed in plain reel hank form as their raw material will benefit from the implementation of the scheme, since the cost of cotton yarn will be reduced by 9.20% and the cost of the cellulosic spun yarn will be reduced by 13.80% (18.4% during 2002-03) respectively.

Interests of textiles sector

4321. SHRIMATI SHABANA AZMI:
DR. T. SUBBARAMI REDDY:

Will the Minister of TEXTILES be pleased to state:

(a) whether the survey among textile exporters reveals that the finance Ministry has not really looked at the interests of the textile sector, which is the main engine of growth today, as reported in the media: